



SUBMISSION to the AGRICULTURAL COMPETITIVENESS WHITE PAPER

Grains Industry Market Access Forum (GIMAF) welcomes the opportunity to submit comments to the Agricultural Competitiveness White Paper. GIMAF's comments are focused on Issue 8: Enhancing Agricultural Exports and specifically on market access considerations.

Background to GIMAF

GIMAF works in conjunction with the Australian government and its agencies to develop and implement international market access plans for the grains, fodder and seeds industries. GIMAF's members are peak industry bodies: the Australia Grain Exporters Association, Australia Fodder Industry Association, Australian Oilseeds Federation, Australian Seeds Federation, Pulse Australia and Grain Producers Australia however it more broadly represents the market access interests of the whole sector.

While its core activities are focused on direct marketplace issues that are prioritised by the GIMAF Committee, GIMAF also provides input to the wider trade policy agenda. GIMAF employs a full-time executive manager and works in conjunction with staff at its member bodies and industry stakeholders, contracting additional resources as necessary.

Since its formation in 2011 GIMAF has actively pursued issues through the Department of Agriculture and the Department of Foreign Affairs and Trade (DFAT), providing input on country to country free trade agreements, directly engaging with customer countries and working on the market access priorities for the Australian grains industry.

Key Market Access Impediments to the Grains Industry

Market access issues can be categorised into 'New Market Access' and 'Market Access Maintenance/Improvement'. The grains industry generally enjoys market access for most products in most markets, however there are examples of grains that do not have market access due to various, often obscure reasons but generally due to technical phytosanitary barriers (e.g. rice, lupins, faba beans and wheaten hay to China). For the majority of the grain trade vigilance is required to ensure market maintenance or improvement in terms of the protocol conditions applied to market access for the various commodities. This is an issue that the grains industry fully acknowledges as biosecurity is a well understood matter both in regards to impacts on production and the risks imposed in a trade context. However the negotiation of protocols for phytosanitary measures rests entirely with government and so it is vital that adequate resources are allocated to the tasks of appropriately managing this task.

Responding to Key Challenges

The grains industry is fully committed to providing resources to respond to the challenges of maintaining and enhancing market opportunities. GIMAF has developed a strategic approach to market access focused on concentrating resources on the highest priority issues and working with Government to proactively manage issues. GIMAF has developed a China

Market Access Strategy and is planning to prepare strategies for other key Asian markets – Indonesia, India and Vietnam. Critical to the success of these plans is the coordination of activities with Government and the development of relationships with key personnel in target markets.

Key Response: Grains Industry (GIMAF) to work proactively with Government to resolve and manage market access issues, initiate and coordinate research as required and foster relationships with key Government officials involved in quarantine management.

Taking advantage of multilateral and bilateral trade agreements

While trade agreements have the opportunity to address access and competitive issues via the removal / reduction of trade distorting tariffs, there should be an opportunity associated with these agreements to address non-tariff barriers. In part the resolution of these issues should be enhanced by the positive relationships evolving from a trade agreement. There are recent examples where trade agreements have not delivered any substantive trade opportunities for the grains sector and it will be important to maintain Australia's competitive position against other importers seeking trade agreements in the Asian region through 'Most Favoured Nation' clauses.

Key Opportunity: Closer trade relations under FTA's should trigger the opportunities for Government and industry to jointly work on non-tariff trade impediments

Engagement between Industry and Government on market access priorities

One of the primary objectives in establishing GIMAF was to prioritise market access issues for the grains, seeds and fodder industries and to provide a direct point of engagement with government to set the agenda for action to improve trade outcomes for the sector. This focused effort has delivered some extremely positive outcomes to date and is built on regular dialogue and engagement with government personnel involved in the negotiation of FTA's and managing phytosanitary issues. The GIMAF structure provides an effective model for industry engagement with government which could be more broadly employed across the agricultural sector.

Prioritisation of government resources to manage market access issues has and continues to be a challenging matter for government. It is important that the prioritisation process considers the impact of relevant effort in regard to potential achievable outcomes and allocates resources accordingly. It is vital that the national interest and the impact on total trade outcomes figure prominently in consideration of resource allocation.

Key Opportunity: GIMAF and government to build on a strong foundation of engagement on market access issues management. Government to adopt a transparent process for prioritisation of market access issues to ensure that resources are applied to deliver the maximum national interest outcomes.

Biosecurity arrangements

Phytosanitary issues and perceived risks associated with biosecurity concerns poses significant barriers to exporters of agricultural products from Australia. The grains industry clearly recognises the importance of maintaining sound and appropriate biosecurity processes and management practices. However the use of phytosanitary barriers have become the one of the most challenging hurdles for exporting industries to overcome and are often used by importing countries to impede trade. Political activism in both foreign markets and Australian has been often used by industries seeking to protect a domestic market position. Where this activism employs spurious arguments to overstate the biosecurity risks associated with trade it will invariably harm the interests of industries seeking to export products. It is vital that the political scrutiny of government risk assessment outcomes and processes be focused on scientific principles and not harm the interests of industries seeking to gain access into foreign markets.

Management of biosecurity risks has become a more sophisticated process involving scientific principals and statistical analysis in recent years to improve the effectiveness of existing efforts and enabling trade to occur whilst containing risks to very low levels. However these processes have not been widely adopted by all countries and phytosanitary barriers continue to be upheld on the grounds that risks cannot be managed. More effort needs to be employed to engage countries in developing processes to manage risks along the whole supply chain such that commercially viable trade can occur whilst maintaining biosecurity risks at very low levels.

Key Opportunities: Industry and government must carefully manage enquiries into import risk assessments to ensure that the interests of exporting industries are not harmed. Government should engage with foreign government quarantine authorities to implement 'whole of supply chain' risk management methods and protocols to minimize phytosanitary risks and improve trade opportunities. Improving these protocols in co-operation with industry will also assist in minimising the cost of biosecurity controls.

Summary

Market access is vital for the future success and growth of the Australian grains industry. Industry and government must work together and apply the necessary resource effort to ensure that biosecurity risks are appropriately managed and do not become an excuse for establishing trade barriers. Relationships between quarantine authorities must be enhanced within a trusting environment to build confidence that risks will be contained to very low levels. This may require the deployment of additional agricultural counsellors within key target markets.

GIMAF welcomes the opportunity for further direct consultation to expand on comments provided in this submission.